

ZAKO

SECRET

BERN 2916

240800Z
211950Z
241030Z

21 JULY 1950

SECRET

ROUTINE

CITE: []

TO: WASHF

INFO: []

VIENT

REF MSBA-3199 AND SALZ 014

1. AT MEETING [] 19 JULY CERTAIN DISCREPANCIES CLARIFIED WHICH WE CABLED SINCE MAY INFLUENCE YOUR DECISION.
2. SOURCE MET BARCZA LAST WEEK WHILE WE HAD BEEN UNDER IMPRESSION HE HAD SEEN HIM BEFORE WRITING OF MSBA-3199. SOURCE NOW STATES HAD ONLY HEARD FROM HIM IN WRITING. LATEST VERSION JIBES COMPLETELY WITH SALZ 014. IN ADDITION BARCZA STATED THERE NO DOUBT ZAKO PRESENTLY WORKING FOR FRENCH. SOURCE EXPLAINS HE PREVIOUSLY NOT AWARE OF ZAKO'S CLOSE (~~PORTION GARBLED WASH WILL FORWARD~~ ^{ARROW CROSS}) AFFILIATION UNDER WHOSE AEGIS HE BECAME MAJOR GENERAL.
3. RE [] 5418 PARA 5. SOURCE EXPLAINS KORPONAI WILL NOT BE EXCLUDED FROM POSSIBLE OPERATION BUT ACCORDING ZAKO WILL NOT KNOW DETAILS AND PROVENANCE FUNDS.
4. RE MSBA-3199 PARA 4. ZAKO EXPLANATION RE LATEST PARIS VISIT WAS DESIRE TRANSFER CERTAIN OFFICERS WIVES TO FRANCE OR NORTH AFRICA

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SECRET

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

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WHICH SHOWS RATHER POOR MEMORY.

5. SOURCE SUBMITTED 2 SUGGESTIONS FOR HANDLING ZAKO IF WE WILLING GO AHEAD.

A. CHARLES VON ERVEE (ALSO RECD: ERXEY), FORMER HUNGARIAN BANKER RESIDING ZURICH AND COMMUTING KITZBUHEL WHERE FAMILY LIVES. VERY INTELLIGENT, FINANCIALLY INDEPENDENT, DISCREET. BARCZA AGREED WOULD BE GOOD MAN.

B. GENERAL NAGY WHOM BARCZA SAW SEVERAL TIMES ON TRIP TO AUSTRIA AND CONSIDERED HIGH CLASS MAN ALTHOUGH NOT AS EXPERIENCED INTELL MATTERS AS ZAKO. SOURCE BELIEVES THAT ZAKO WOULD BE AGREEABLE WORKING WITH NAGY IF LATTER HOLDS PURSE STRING. BARCZA TOLD SOURCE NAGY PRESENTLY WORKING FOR AMERICANS.

6. ALTHOUGH SOURCE NOW CONVINCED ZAKO NOT HONEST STILL BELIEVES PROPOSITION WORTHWHILE. WE MAINTAIN DOUBTS SINCE ONLY WAY COULD BE HANDLED IS BY HAVING SOME ONE BE WITH ZAKO PRACTICALLY 24 HOURS A DAY.

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